Lennox Australian Small Companies Fund

ARSN 617 995 918 APIR HOW3590AU

Monthly Fact Sheet May 2025

Performance[1]	3 month %	1 year %	3 years % p.a	5 years % p.a	7 years % p.a	Inception % p.a[2]
Fund return (net)	-0.01	9.29	9.61	9.90	6.50	9.65
S&P/ASX Small Ordinaries Accumulation Index	3.83	9.76	4.69	6.77	4.66	6.69
Active return	**-3.84**	**-0.47**	**4.93**	**3.13**	**1.84**	**2.95**
S&P/ASX Small Industrials Accumulation Index[3]	-1.09	8.24	5.71	5.33	4.10	5.48
Active return	**1.08**	**1.05**	**3.90**	**4.57**	**2.40**	**4.17**

Past performance is not a reliable indicator of future performance. Numbers may not add due to rounding.

[1] Returns are calculated after fees have been deducted and assume distributions have been reinvested. No allowance is made for tax when calculating these figures.

[2] The inception date for the Fund is 28 April 2017

[3] The benchmark for the Fund is the S&P/ASX Small Ordinaries Accumulation Index. For comparison purposes, the S&P/ASX Small Industrials Accumulation Index is displayed as the Fund does not typically invest in resource securities.

Fund facts	
Portfolio managers	James Dougherty, Liam Donohue
Inception date	28 April 2017
Investment objective	To outperform the S&P/ASX Small Ordinaries Accumulation Index over the medium to long term (before fees)
Management fee	1.10% p.a.
Performance fee	15% of the Fund's daily return (after fees and expenses and after adding back any distributions paid) above the Performance Benchmark
Buy/sell spread	+0.39% / -0.39%
Fund size	$234.5M
Distribution frequency	Half-yearly

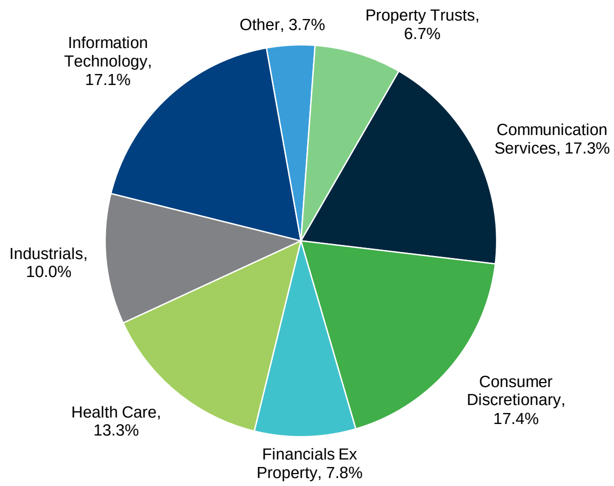
Top 3 active positions (alphabetical)
Aussie Broadband Pty Ltd
Superloop Ltd
oOh!media Ltd

Stock attribution
Top 3
Life360 Inc
Megaport Ltd
Corporate Travel Management Limited
Bottom 3
Botanix Pharmaceuticals Ltd
Judo Capital Holdings Ltd
Telix Pharmaceuticals Ltd

Fund features
An actively managed portfolio of small companies: Lennox invests using both qualitative screening and in-depth fundamental research to identify investment opportunities.
Experienced investment team: The investment team has a long and successful history investing in Australian small and micro-cap companies.
A refined and tested investment process: Lennox have a robust investment process which is combined with key insights gained through deep-dive research 'on the ground'.
Risk aware: Lennox embed risk management at the centre of their investment philosophy and portfolio construction.

Asset allocation	Actual %	Range %
Security	93.32	80-100
Cash	6.68	0-20

Sector exposure



Data Source: Fidante Partners Limited, 31 May 2025.

Fund highlights

The Fund returned 3.4% (after fees) for the month of May, while the S&P/ASX Small Ordinaries Accumulation Index returned 5.8% and the S&P/ASX Small Industrials Accumulation Index returned 4.0% (the Small Industrials index excludes resources and energy companies, which the Fund does not invest in).

The largest contributors to performance included overweight positions in location tracking app provider Life360, network software provider Megaport, and travel agent Corporate Travel. Shares in Life360 added 51.9% after delivering a robust 1Q25 result which highlighted strong operating momentum across all key line items and a material beat to consensus earnings expectations. Megaport gained 18.4% on no company specific news flow beyond solid gains across the technology sector. Corporate Travel added 17.0% as sentiment towards travel stabilised following a period of tariff induced economic uncertainty across March and April.

The largest detractors from performance included overweight positions in pharmaceutical player Botanix, SME lender Judo Capital and salary packaging provider Smartgroup. Shares in Botanix pulled back 17.8% after Trump's tariff regime shifted to reducing elevated pricing in the US pharmaceutical sector. Judo Capital sank 19.4% after downgrading its FY25 outlook which included lower than expected loan book growth in 2H25. Smartgroup sold off 6.8% as the market positioned for the pull forward in PHEV (Plug-in Hybrid Electric Vehicle) to crimp top-line growth estimates over the medium term.

During the month, the fund opened a position in Corporate Travel. The company downgraded its FY25 earnings guidance due to a material slow-down in US corporate travel activity across March and April and presented an attractive entry point. We viewed this period as a short-term headwind that management are well placed to navigate through cost initiatives and continued momentum in new client wins which has already achieved record levels across FY25 (+$1.6bn).

Market overview

Energy was the best performing sector in May, up 11.7%, followed by Information Technology (+9.2%) and Materials (+8.6%). Health Care was the worst performing sector over the month, down 1.2%, followed by Consumer Discretionary (+2.9%) and Real Estate (+3.8%).

The top performers for the month included sports technology player Catapult, financial Generation Development and audio technology provider Audinate. Catapult surged 43.0% on the back of a strong FY25 result which delivered 19% top-line revenue growth and material EBITDA growth (+255% vs pcp). Generation Development gained 34.5% after entering a strategic distribution agreement with global powerhouse Blackrock. Shares in Audinate added 29.5% as global tariff fears eased across equity markets.

The worst performers for the month included coal miner Coronado Global Resources, agricultural chemical player Nufarm and forex business OFX Group. Shares in Coronado sold off 43.6% due to ongoing price weakness in the met coal market and concerns over funding requirements. Nufarm traded down 38.2% after its 1H25 result missed expectations and saw gearing levels (4.5x Net debt/EBITDA) land materially ahead of the company's target range (1.5-2.0x). OFX Group retraced 36.3% on the back of missing FY25 earnings guidance and downgrading FY26 guidance due to macro uncertainty and elevated cost investment.

What's making waves

Equity markets continued to rebound strongly in May, with the Small Ordinaries (+5.8%) outperforming the large cap ASX100 (+4.0%). Tariffs continued to dominate the headlines, with the most positive development being a 90-day truce between the US and China. Corporate commentary indicates that it is generally still too early to gauge the impact of tariffs, with businesses pointing out that they have seen little impact on their operations so far and don't foresee a material impact. We believe this commentary relates mostly to first-order impacts and hence the longer trade uncertainty remains – the greater the risk becomes that second-and-third-order impacts will be felt. At Lennox we assess the impact of changing macroeconomic conditions at a stock specific level across our portfolio, which is conducted through a combination of direct company access combined with industry peer and unlisted contact meetings. We expect to see new opportunities emerge over coming months as the global economic landscape becomes clearer.

For further information, please contact:

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